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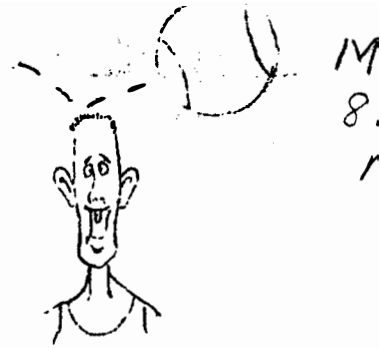
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NO. 3

COOK LECTURE #1: The United States has evolved its own political-economic system--one of "guided economy," Adolf A. Berle declared Monday (Feb. 11) in an address at Rackham Auditorium.

"I venture to give this system a name, 'The American Economic Republic'," he said, adding that "I believe (it) relegates both Marxian socialism and classic capitalism to a museum of 19th Century ideas." This technique of guided economy is "new in history, already maximizing in accomplishment, and in full time evolution," said the Columbia University law professor in delivering the first of four William W. Cook Lectures.

Continued the speaker: "Relentless grinding of 20th Century economic fact on 19th Century descriptions and theory" has resulted in "a revolution of ideas." This grinding has resulted in "disintegration of many of the major conceptions on which 19th Century capitalism had been based." For the purposes of this discussion, Prof. Berle said, he had selected just two: "the disintegration of the conception of property and the fragmentation of the 'free market'."

Neither the notion of property as an institution nor the existence of a free market had been eliminated, he said. "Rather the changed elements in both recombined into a different structure of economic, and with it political, power."

"Liquid wealth--powerless wealth, if you wish--has steadily grown until today it is the dominant form of American wealth holding," Berle declared. Personally-owned wealth in the U.S. is an estimated one trillion 200 billion dollars of which between 50 and 60 per cent is in paper in such forms as stocks, bonds, bank accounts and insurance policies.

Liquidity of this wealth, he continued, depends upon the willingness and capacity of the American banking system to supply cash and bank credit adequate to maintain the cash convertibility on which the property holding public depends. The capacity of the banking system to do this depends upon the capacity and willingness of the Federal government to provide continuously an adequate supply of currency and credit, which it does through the Federal Reserve System. "Thus," said Prof. Berle, "the American desire to have its property in liquid form puts the property holder in the hands of the state, whether he likes it or not...The dominant form of American property holding is now a statist system, the state operating through its reserve banking agency."

Another factor shaping development of the American economic republic was described by Prof. Berle as "the power-property phase." The power to make decisions now resides for the most part in great corporate managements and government, he said, adding that property and power "are not different to each other. They are the same thing in different phase." Power always tries to make itself into property, he said, and property always tries to make itself into power. One of the real successes of the American system was its ability to choose the proper mix of possession and power which best fits the techniques of production.

The conception of a "free market" in the 19th Century sense no longer exists," Prof. Berle declared. "For the fact was and is that the free market is not a natural state of affairs. It is a delicate, sensitive plant which will exist as long as the state is prepared to maintain it, to release it and repair the damage when it works badly."

A free market exists in the U.S. today only because of anti-trust laws, the Federal Trade Commission, the Department of Justice and about one major anti-trust suit a week," he asserted. Without these controls "the free market would destroy itself in a very short time. The combination of cut-throat competition plus corporate mergers would bring about monopoly, cartels or other stabilization arrangements almost at once. These would not be the unnatural operations of weak men; they would be the normal product of a market left to itself."

ACCOUNTING OF LAWYER'S CLUB EXPENSES:

Approximate Yearly Income: \$5000 - \$5500 - derived from 1/4 of semester's dues, fines and occasional donations.

Expenses: Maintenance of Law Club Facilities - 20per cent. (TV Service contract, Res Gestae, lounge magazines, new furniture, student lounge in basement, Hutchins Hall)

Miscellaneous Expenses: 50 per cent (Jackson prison trips, visiting speakers, intramural sports fees, purchase of athletic equipment, loans to student bookstore now represented in increased value of inventory, graduation announcements, etc.)

Social Function Expenses: 30 per cent (fall and spring picnic, Christmas dance, Christmas musicale and dinner, Christmas party for lawyer's club employees and children's choir, spring dance.)

These expenditure examples are illustrative, not exhaustive.

WORTHLESS?... NOT QUITE

Confronted with the proposition, "FORMAL LEGAL EDUCATION IS WORTHLESS" Maxwell F. Badgley, current President of the Michigan Bar Association, ruled in the negative Thursday evening in the Lawyer's Club Lounge. The impact of this judgment was considerably tempered in an accompanying opinion, rendered to those in attendance, which evinced Mr. Badgley's unwillingness to endorse formal legal training as an end in itself. In his view the formal training constitutes a necessary initial step toward professional competence, a step which ripens in value only after an aspiring lawyer acquires the practical techniques not presently available to the student through classroom education.

Acknowledging the value of competent scholarship, Mr. Badgley cautioned that brilliant performance in class does not portend an inevitably similar fate in practice. He sees as an even greater prerequisite to success than pure scholarship, a quality which he labeled "the human touch...the ability to get along with people."

Unwilling to confine his comment to the one issue formally in controversy, Mr. Badgley indulged the assembled spectators with comment by way of dicta on a wide range of subjects introduced by himself and those in attendance. For this reason the proceedings extended for several enlightening and interesting hours. Perhaps the most persuasive reason adduced by Mr. Badgley in holding formal legal education other than worthless, was that expressed in an initial remark: "You can't take the bar exam without it."

The Barristers Society, dating from 1904, held its session in the Law Library on Tuesday, February 5, 1963, and tapped the following men for initiation:

Bill Brashares, Chuck Dayton, Dick Dickinson, Dan Elliott, John Eppel, Jack Mogk, Tom Palmer, Buck Robinson, Bob Seymour, Steve Wittenberg.

Breakey Rating Threatened by "Live" Competition

The daily closed circuit broadcasts from Judge Breakey's Washtenaw County Court room to Hutchins Hall will be challenged by live performances in the Law School's own Practise Court from now until March 16. The fall semester's course in Trials and Appeals, taught by Prof. Joiner, now moves into its final phase with each student having his day in court. Judge Edmond Devine presides.

AT THE FRAT:

T.E.R.: Elections: New Officers: Chancellor Ira Jaffe; Vice Chancellor - Harold Cubitt; Master of Rolls - Les Tooman; Treasurer - Mark Smallwood; Historian - Ron Hudgins.

Sports: Basketball team 3-0 in defense of its championship
Bowling: semi-finals on Sunday at Huron Lanes.

Social: Progressive dinner on 2/23 for married couples \$2.00

DELTS: Thursday, Feb. 21 - Exec. Board meeting at noon in faculty dining room. Membership meeting at 10:30 at the House.

Saturday, Feb. 23 - MARDI GRAS NIGHT - music, decorations and favors in the New Orleans fashion, featuring the Basin Street Five from the Rathskeller. Delts and guests. 9:00 - 12:30 p.m.

PHID: Sunday Party (Feb. 17) 4:30 p.m., Garry Frink trio.

QUADSVILLE QUOTES by Meyer Sniffen

The penalty for laughing in a courtroom is six months in jail; if it were not for this penalty, the jury would never hear the evidence. - H.L. Mencken.

A lawyer is a learned gentleman who rescues your estate from your enemies and keeps it himself. - Henry Brougham.

